

# CHAIRMAN'S STATEMENT

## 主席報告

新澤



**Mr. TAOCHAIFU Choofuang 陶哲甫先生**  
Chairman 主席

### TO OUR SHAREHOLDERS

We are pleased to present our first annual report to the shareholders.

2005 was a significant and meaningful year for New Heritage. The successful listing on the Main Board of the Hong Kong Stock Exchange and the HK\$97,440,000 proceeds raised from a public offering has advanced New Heritage into another era, establishing an exciting platform for the Group to not only focus on delivering returns but also to fuel consistent growth and maximise value for its shareholders. We are building a stronger capital base and financial structure to undertake further land bank expansion and develop quality real estate projects on the Chinese Mainland to meet the increasing demand from customers and in time benefit from the buoyant property market trends on the Chinese Mainland.

Backed by the Group's reputation, expert knowledge and rich experience in the China property market for more than two decades, we will spare no efforts to continue to actively develop and invest in high quality projects in niche markets with key focus in Suzhou, Jiangsu Province and Beijing whilst, at the same time, pursuing a pro-active financial strategy in the equity and debt markets.

### Results and Dividends

For the year ended 31 December 2005, New Heritage's revenue and net profit attributable to shareholders was HK\$149.1 million and HK\$55.9 million respectively. Earnings per share was HK24.6 cents.

The Directors recommend the payment of a final dividend of HK1.8 cents per share for the year ended 31 December 2005, which will be satisfied by allotment of new shares of Company, by way of scrip dividend, with an alternative to shareholders to elect to receive such final dividend (or part thereof) in cash in lieu of such allotment.

### 致本公司股東

本集團欣然向股東提呈首份年報。

對新澤而言，二零零五年可謂意義重大。新澤成功於香港聯合交易所主板上市，並透過初次招股募集得97,440,000港元資金，使新澤邁向新紀元。上市為集團開創令人振奮的嶄新平台，讓我們不僅可著眼於創締回報，更帶來源源不絕的增長動力，為股東創造最佳價值。集團正逐步建立更強大的資本基礎及財務架構，以便於中國內地進一步擴大土地儲備及發展優質房地產計劃，滿足不斷提升的客戶需求，適時地從中國內地物業市場的強勁勢頭中獲益。

憑藉集團自身品牌的聲譽、對中國物業市場的專業知識及超過二十年的豐富經驗，我們將不遺餘力繼續積極發展及集中投資位於蘇州、江蘇省及北京的精品物業市場的優質項目，並同時於股票及債務市場中追求積極主動的財務策略。

### 業績及股息

截至二零零五年十二月三十一日止年度，新澤的收益及股東應佔純利分別為149,100,000港元及55,900,000港元。每股盈利為24.6港仙。

董事會建議派付截至二零零五年十二月三十一日止年度的末期股息每股1.8港仙，將透過以股代息方法配發本公司新股支付。股東亦可選擇以現金收取該等末期股息(或其部份)以代替有關配發。

### Business Review

At New Heritage, our uncompromising insistence on delivering the best value possible has established our solid reputation in the property market on the Chinese Mainland and won over a steadily growing clientele of middle- to high-end customers. We strive to develop high quality properties in Suzhou, Jiangsu Province and Beijing and are keen to add more sites to our existing land bank by way of tendering, public auction, or cooperation with or acquisition of local property companies.

During the year under review, a new site in Wuzhong District, Suzhou, with a site area of approximately 41,579 square metres, was added to the Group's land bank through our successful bid at a public land auction.

It is worth noting that more sites are expected to be added to our land bank in the near future as letters of intent have been entered into with prospective joint venture partners on the Mainland. Our approach of steady and disciplined investment, assessment and analysis would always be the key to making timely land purchases in order to maintain a stable growth trend and an optimal cash flow balance for New Heritage.



Suzhou Garden Court apartments and villas  
錦麗苑公寓樓及別墅

In 2005, the Suzhou property market continued to be buoyant, keeping in line with the strong economic growth of Jiangsu Province and the country as a whole. The implementation of austerity measures over the property market nationwide by the Chinese Central Government worked on the contrary to the advantage of New Heritage in Suzhou. These measures are conducive to rectifying rampant property speculation and excessive real estate lending to unsound property developers which in the long run would stabilise the housing market, allowing both bona fide homebuyers and investors to participate actively.

The Jiangsu provincial GDP was estimated to hit RMB1,340 billion during the year (up by an average annual rate of 9%-10%). GDP of Suzhou was also expected to exceed RMB400 billion, surpassing the Shenzhen Special Economic Zone to take up the fourth position nationwide. The strengthening of the purchasing power of Suzhou residents backed by a further surge in per capita disposable income expected to reach RMB16,276, coupled with a significant growth in foreign direct investment to hit US\$6.05 billion in 2005, created a more healthy and favourable environment for our business growth.

### 業務回顧

本著以人為本的宗旨，新澤一直堅持為客戶創造最佳價值，讓集團在中國內地物業市場建立有口皆碑的聲譽，並贏得中高檔客戶數目穩步增長的成績。我們致力在蘇州、江蘇省及北京發展優質物業，銳意透過招標、競投方式或與當地房地產公司合作或收購房地產公司的不同途徑，以增加土地儲備。

於回顧年度內，集團在一次公開土地拍賣中成功地以競投方式增添了一項位於蘇州市吳中區的新土地儲備，地盤面積約為41,579平方米。

值得注意的是我們更與內地有意合作的業務夥伴各自訂立了意向書，故預期本公司於短期內將會增添更多土地儲備。集團採用穩健而嚴謹的投資、評估及分析方法，作出適時的購地決定，令業務維持穩定的增長勢頭及把現金流量結餘保持於最佳水平。



Suzhou Garden Villa high-rise apartments  
錦華苑多層公寓樓

二零零五年內，蘇州物業市場持續暢旺，與江蘇省及全國的強勁經濟增長步伐一致。中央政府對物業市場落實全國性的宏觀調控措施，反而對新澤在蘇州的發展帶來好處。該等措施有助控制物業炒賣及過量房地產貸款借予不良物業發展商，長遠而言可穩定住宅市場，促進住宅買家及投資者積極參與買賣。

本年度江蘇省本地生產總值估計可達人民幣1,340,000,000,000元(平均年增長率為9%至10%)。預期蘇州的本地生產總值超過人民幣400,000,000,000元，同時亦超越深圳經濟特區，居全國第四位。蘇州市居民的人均可動用收入預期進一步增至人民幣16,276元，購買力愈趨增強，加上外國直接投資顯著增長，於二零零五年更達到6,050,000,000美元，為本公司的業務擴展創造了更穩健有利的環境。



## CHAIRMAN'S STATEMENT

### 主席報告

Homebuyers do have the urge to seek high quality new housing from a reputable and reliable property developer. This fact works to the benefit of New Heritage, as our "Suzhou Garden" brand is well-recognised as a symbol of niche and quality developments in the Suzhou property market. The Group's strong brand identity and favourable market conditions produced better margins and added to our profitability amid intensified market competition.

The continuous infrastructure development in Suzhou, has witnessed the expansion and completion of the Jiangsu Expressway from four lanes to eight lanes at the end of 2005, further fueling the market growth with the reduced travelling time between Suzhou and Shanghai.

During the year, a corporate reorganisation also took place for New Heritage to include the 30.05% stake in Beijing Landmark Towers Co., Ltd. in the financial statements of New Heritage. The joint venture owns Beijing Landmark Towers, a highly-rated commercial complex completed in 1990 and located in the Chaoyang district in Beijing. Beijing Landmark Towers Co., Ltd. began to contribute its profit to the Group's bottom line on 13 July 2005. On the back of the complex's proven record of encouraging cash dividend payouts over the past years, we look forward to the full year contribution of Beijing Landmark Towers Co., Ltd. in the financial year of 2006. Its profit contribution is expected to form a stable cash inflow to the Group to further support our ongoing operations.

### Outlook

Looking ahead, New Heritage's strategy continues to be to focus on consolidating and further strengthening its property businesses in Suzhou, Jiangsu Province and Beijing, backed by a sound financial position following the initial public offering. Coupled with relevant extensive experience and exposure, our seasoned management team aims to stay ahead as one of the top quality and niche property developers in the China property market.

Our business portfolio is expected to do well in 2006, supported by continuous and optimistic growth of the Chinese economy and a further rise in per capita disposable income for urban households in Suzhou and Beijing, which stood at RMB16,276 and RMB17,653 respectively in 2005. This undoubtedly would serve as an impetus in potential buyer's quest for higher quality housing and property investment opportunities.

On the property development side, the outlook for Suzhou's mid- to high-end residential markets is particularly promising given today's homebuyers' preference for well-planned and well-built premium housing developments. This should translate into greater market demand for New Heritage's quality-branded residential projects, enabling the Group to achieve maximum turnover.

住宅買家對信譽昭著可靠的地產發展商所推出的優質新樓盤確實需求殷切。由於集團的「錦華苑」品牌獲公認為蘇州物業市場中獨特及優秀物業發展的象徵，這股殷切的需求對集團極為有利。我們的品牌形象鮮明，加上有利的市場條件，有助集團取得更佳邊際利潤，在競爭激烈的市場中仍可提升盈利能力。

蘇州持續的基建發展見證於二零零五年年底完成擴建江蘇寧滬高速公路。該高速公路由四車道擴展至八車道，大大縮減了來往蘇州至上海的行車時間，進一步刺激市場增長。

年內，新澤亦進行企業重組，將北京亮馬河大廈有限公司的30.05%權益列入新澤財務報表。該合營公司擁有位於北京市朝陽區於一九九零年啓業的高級商業綜合大樓北京亮馬河大廈。北京亮馬河大廈有限公司於二零零五年七月十三日開始向本集團提供盈利貢獻。北京亮馬河大廈有限公司過去數年的現金股息分派令人鼓舞，本公司期望北京亮馬河大廈有限公司在二零零六年財政年度提供全年貢獻。預期該大廈的盈利貢獻可為集團提供穩定的現金流量，進一步支持我們持續經營的業務。

### 展望

展望未來，由於招股上市後財務狀況更為健全，新澤的策略為繼續專注於鞏固及進一步加強其於蘇州、江蘇省及北京的物業業務。集團的管理團隊憑藉豐富的相關經驗，銳意成為中國物業市場上優質頂尖的物業發展商之一。

集團的業務組合預期於二零零六年會有出色的表現。中國經濟持續且樂觀地增長，而蘇州和北京的城市家庭的人均可動用收入進一步上升，於二零零五年分別達到人民幣16,276元及人民幣17,653元，毫無疑問令準買家對優質住宅及物業投資機會的需求提供動力。

在物業發展方面，由於現今住宅買家喜愛規劃及建築完善的優質住宅，因此蘇州的中高檔住宅市場前景尤其樂觀。據此，市場對於新澤品牌的優質住宅項目需求將會增加，有助集團增加營業額。





We are also standing fast by the Group's drive in pursuing its development plans for the Wuzhong site as well as new sites located in New District and other districts of Suzhou. With letters of intent having been signed, one site is planned as a residential complex in the New District of Suzhou. The other site will be a mixed use development in the old city district of Suzhou.

On the investment front, the outlook for Beijing Landmark Towers is particularly promising. The recently renovated hotel rooms, service apartments and the addition of a multi-function conference centre in the Beijing Landmark Towers, coupled with its renewal of leases with major tenants in the two office towers, would further add value to the property. These features serve as a magnet to attract quality business travelers and tenants with the propensity to spend more amid the buoyant Beijing market trend. This would result in better profit for New Heritage.

Additionally, an extension and refurbishment of the main shopping arcade of Suzhou Garden Villa, one of the Group's retail investment properties located on the prime main street of the New District in Suzhou in 2006, would enable us to realise the full potential of increasing rental income from the promising retail sector. The refurbishment is scheduled to commence in July 2006 and complete in the last quarter of 2006. Upon completion, it will provide a total gross floor area of approximately 10,000 square metres of quality retail space to create a new retail environment for this prime central business district area.



Beijing Landmark Towers  
北京亮馬河大廈

Going public is a watershed in the history and development of New Heritage. In addition to concentrating on the existing businesses, we will forge ahead with business development activities to acquire sites or companies in different districts of Suzhou and other cities in Jiangsu Province in the immediate future. Plans are also afoot for medium and longer term projects in other cities in Jiangsu Province. Taking advantage of a well-established brandname in Suzhou and our network in Jiangsu Province, as well as leveraging on our management's extensive experience and expertise in property development and investment, we are confident that we will secure even more attractive sites and projects in other locations in a timely and capital efficient fashion. For this purpose, our dedicated working team will continue to conduct in-depth studies on the feasibility of property development and/or investment projects in target cities.

集團亦將繼續全力開拓，進行吳中區地盤發展計劃以及位於蘇州市新區及其他地區新地盤的發展計劃。我們已簽訂有關的意向書，蘇州市新區的地盤擬興建為住宅綜合大樓。其他地區的地盤將會為蘇州市舊城區的混合用途發展。

投資方面，北京亮馬河大廈的前景尤其令人樂觀。北京亮馬河大廈近期已完成翻新酒店房間及服務式公寓，並增建一間多功能會議中心。此外，兩座辦公大樓的主要租客的租約亦已續約，這當會為該物業進一步增值。這項優秀物業在欣欣向榮的北京市場趨勢中尤其吸引消費力較強的優質商務旅客及租客，令新澤的盈利有更佳表現。

此外，集團位於蘇州市新區黃金大道的零售投資物業之一的錦華苑商業廣場將會於二零零六年擴建及全面翻新，這將使我們在零售業氣氛暢旺的情況下，充份把握租金收入持續上升的潛力。翻新工程計劃於二零零六年七月展開，於二零零六年第四季完成。工程完成後，錦華苑商業廣場將獲提供總建築面積約10,000平方米的優質零售空間，於該黃金中央商業區創造一個嶄新的零售環境。

上市集資在新澤的歷史及發展中是一個分水嶺。集團除了專注現有業務外，更在不久將來於蘇州其他地區以至江蘇省內的其他城市收購不同房產項目或公司，全速推動業務發展。在江蘇省其他城市，集團亦有計劃開展中、長期項目。憑藉集團在蘇州信譽昭著的品牌、在江蘇省的網絡及管理層在物業發展及投資方面的豐富經驗及專業知識，集團深信將可適時以具資本效益的方式在其他地區獲得更多具吸引力的房產項目。據此，集團的專責工作小組將會繼續深入研究在目標城市進行物業發展及／或參與投資項目的可行性。



## CHAIRMAN'S STATEMENT

### 主席報告

Opportunities abound in Beijing, in particular with China's accession to the World Trade Organization and the forthcoming 2008 Olympic Summer Games. The Beijing municipal government's drive to raise the profile of the capital city and its commitment to infrastructure development would provide much of the prerequisites for further growth in many sectors. The property market sector is destined to be one of the most positively affected.

With the country's capital city reporting a GDP growth of 11.1% to RMB681 billion and per capita disposable income for urban households of RMB17,653 in 2005, there is little doubt that the property sector would continue to boom and offer exciting opportunities for New Heritage to capitalise on. In this regard, we will be actively looking into viable project acquisitions in the Beijing market and capitalising on synergies with our past and present partners. A representative office set up in Beijing and headed by our seasoned executives will be the locus and generator for such deals.

Before closing, may I take this opportunity to express my gratitude to my fellow directors for their guidance, and all our staff for their dedication and hard work. With our concerted and conscientious efforts, the Group's plans of going public and embarking on bolder strategic moves would thus be realised.

**TAOCHAIFU Choofuang**  
*Chairman*

Hong Kong, 3 April 2006

北京市商機處處，尤其是在中國加入世界貿易組織後及中國將於二零零八年舉辦北京奧運。北京市政府積極提高首都的形象並致力改善基礎設施的發展承諾，將刺激多個行業進一步增長。物業市場必定是得益最多的行業之一。

北京的本地生產總值增長11.1%至人民幣681,000,000,000元，城市家庭在二零零五年的人均可動用收入為人民幣17,653元。在此動力支持下，當地物業市場無疑將繼續暢旺，並為新澤提供吸引的投資機會。因此，集團將會在北京市場積極物色可行的收購項目，並憑藉我們與既有的及過往的夥伴合作，創造更具效果的協同效應。我們在北京的代表辦事處由經驗豐富的管理人員領導，將會成為促成有關交易的據點及原動力。

總結前，本人謹藉此向董事同寅的領導，以及全體員工的克盡職守和努力不懈，致以衷心致謝。我們上下團結一心，認真盡責，方可讓集團實現上市計劃及進行更強勢的業務發展策略。

主席  
**陶哲甫**

香港，二零零六年四月三日